

Late Claims

There are two types of adjusted claims that can be submitted after the claim submission deadline:

1. Claims containing changes to meal data that result in no increase in reimbursement.
2. Downward adjusted claims. An adjusted claim must be submitted to correct an error that resulted in the sponsor/s being overpaid.

Adjusted claims that are received after the claim submission deadline and result in an increase in reimbursement cannot be processed. Upward adjusted claims received after the deadline for submission will automatically be rejected for payment and will be returned to the sponsor unless the reasons for a late submission meet one or more of the criteria described below.

A late claim may be considered for payment in the following three instances:

1. **Administrative review.** Adjusted claims submitted to correct errors discovered on an earlier claim by an independent audit or a review. The sponsor's authorized agent or representative must explain the circumstances surrounding the discovery of the errors and must transmit a copy of the audit or review report with the adjusted claim. *Note:* Unless the error is noted in an independent audit or review report, additional payment cannot be approved.
2. **One-time exception.** The state agency may grant a one-time exception when a sponsor has *not* been granted an exception during the previous 36 months. To receive a one-time exception, a sponsor must submit an acceptable Corrective Action Plan (CAP) to the state agency (see Appendix A-3 for a sample). A CAP must include the following items:
 - A detailed explanation of the problems contributing to the lateness
 - Information about actions being taken to avoid future late claim submissions
 - A statement to the effect that the sponsor understands that if this exception request is granted, the one-time exception will be made by NSD on the basis of the acceptability of the CAP
 - The signatures of the claim preparer and a sponsor's authorized district or agency official who must be an employee of the district or agency
3. **Late claims approvable only by the USDA.** A late claim may be approved for payment by the USDA if it meets one of the four exception criteria listed below:

- a. Major breakdowns in mechanical processing accompanied by an inability to manually process the data; for example, a major data processing failure
- b. Natural catastrophes coupled with the sponsor's inability to manually process the data; for example, floods or earthquakes that destroy records, equipment, or facilities
- c. Unusual postal delays that are verified by a postal receipt or other specific verification from the postal service
- d. Death or severe illness of key staff members in situations where *it is not possible* to assume the sponsor could have used backup staff members

The request for a USDA exception must include the claim and a letter that demonstrates that the reason for missing the claim submission deadline was *clearly beyond the claim preparer's control*. The letter must explain in detail the extenuating circumstances that made it impossible to meet the deadline and that the deadline was not missed because of negligence, oversight, or workload backlog. Requests for a USDA exception must be submitted by CNFS. Requests deemed to meet the USDA's criteria will be forwarded by CNFS for approval. Please submit requests to:

California Department of Education
Child Nutrition Fiscal Services
1430 N Street, Suite 2213
Sacramento, CA 95814